

Supply—Mines and Technical Surveys

a caveat. That is why I say that the policy is bad and should not be condoned.

Mr. Fleming (Eglinton): Mr. Chairman, let us not have any misunderstanding about this matter of bids. The filing of a tariff is an offer; it is a bid. In this particular case the tariffs of all these companies were known; and it was found on examination, as I indicated last year, that on the basis of the tariffs filed, Autair was the lowest. Again this year, of five companies whose tariffs were known or were published, Autair was the lowest. I repeat that when the hon. member talks about Autair being permitted to refile a tariff—

Mr. Chevrier: Re-enter a bid or re-enter a tariff.

Mr. Fleming (Eglinton):—that was done by all of the five companies.

Mr. Chevrier: No; it was not.

Mr. Fleming (Eglinton): It was not peculiar to Autair.

Mr. Chevrier: It was.

Mr. Fleming (Eglinton): The hon. gentleman makes that statement. I am going by information which I have received from my advisers and I believe it to be correct information. The hon. gentleman speaks with great confidence in making his assertions. How can he pretend to say that the department did not have regard to five tariffs filed by as many respective companies? I think the hon. member is taking a great deal on himself.

Mr. Chevrier: No, I am not taking a great deal upon myself; and I do not like the minister instructing me as to what is the meaning of the filing of tariffs. I know full well what is the meaning of tariffs. It seems to me that the proper way in which to have proceeded was not by way of a filing of tariffs but by way of open tenders. That is what I am complaining about. This position I am now complaining about would not have arisen if the system of open bids had been followed, of which system I am sure the minister approves in all other cases.

Why are tariffs filed? Tariffs are filed in order to give the department a too wide opportunity to select one rather than the other. If you look at the answer which the minister gave and which the parliamentary assistant insisted that I repeat, it would indicate quite clearly that there was a reason for this. It reads as follows:

The answer to part 3 that an economic assessment of the applicable air transport board rates and associated costs made by my department indicates that the services of Autair would result in the lowest over-all cost to the government of Canada.

[Mr. Chevrier.]

It does not state that it is the lowest. Hence the statement the minister has just made is not accurate. It was not the result of the rates that indicated who was the lowest. It is rather the study or the "economic assessment" of the board rates and associated costs "made by the department". The minister asks me to say that the officers were in error. Of course I am not going to say that the officers were in error. How can I say that? However, I can say this from information I have in my possession. Those who did tender were not given the same advantages in the consideration of the economic assessment of the applicable air transport board rates and associated costs as was Autair. This seems to me to be a very roundabout way in which to grant a contract of this importance and of this nature. I am repeating now that the method is not the right one. Certainly it is not the method that the Minister of Finance advises his colleagues in other departments to use when large and substantial sums of money are spent by the treasury. I am sure he suggests to them in all cases, except in very extraordinary circumstances, that the contract should go not by the filing of tariffs but by bids to the lowest tenderer.

Mr. Fleming (Eglinton): Mr. Chairman, the tender system is well established in government practice and there will be no weakening of that principle, I can assure the committee. But in the case of transportation services, as the hon. member well knows from his experience, the established custom is to file tariffs. We have it done on the part of railroads. In some jurisdictions we have it done on the part of trucking services. In the case of aeronautic services we have it done with the air transport board. I must say to the hon. member that he is drawing a long bow in trying to set my statement at odds with that of my colleague as reported at page 2774 of *Hansard*. They are the same statements. His answer was:

The answer to part 3 is that an economic assessment of the applicable air transport board rates and associated costs—

And so on. As to the applicable air transport rates, that expression signifies the tariffs filed by these companies with the air transport board. It was following a review of these published tariffs that the department decided that the most economical service to be obtained in relation to this project was that of Autair. That statement is not controverted here tonight.

Mr. Chevrier: I say it is.

Some hon. Members: Carried.

Mr. Benidickson: Can the Minister of Finance, in the absence of the Minister of